

## Message Text

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ACTION EUR-12

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R 201142Z MAR 75  
FM AMEMBASSY BUCHAREST  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 2076  
AMEMBASSY VIENNA

UNCLAS BUCHAREST 1191

USDOC FOR BEWT/TDAD

VIENNA FOR EWTC

E.O. 11652: N/A  
TAGS: BEXP, RO  
SUBJ: TURCENI THERMAL POWER STATION

REF: (A) STATE 058401; (B) BUCH 0967; (C) BUCH 5494 (NOV 74)

1. EMBASSY APPRECIATES USDOCS EFFORTS AND COMMENTS REFTEL A. EMBOFF CALLED ON ROMENERGO CHIEF OF DEPT CONCERNED WITH THE PROJECT, NICOLAE IANCU, MARCH 18, TO TRACK DOWN FURTHER DETAILS. ACCORDING TO HIM, IT IS NOW TOO LATE FOR MORE US FIRMS TO PARTICIPATE IN THE PROJECT, DESPITE EXTENSION OF BIDDING DATES AND COMMENTS OF DIRECTOR STOICESCU REFTEL B, BECAUSE FIRMS WOULD NO LONGER HAVE TIME TO PREPARE ADEQUATE OFFERS.

2. IANCU AS MUCH AS ACKNOWLEDGED THAT US FIRMS DID NOT HAVE REAL OPPORTUNITY TO PARTICIPATE IN THIS PROJECT. SINCE ROMANIA IS RELATIVELY NEW MEMBER OF IBRD, AND OTHER TENDERS MAY BE OF INTEREST TO US EXPORTERS, THE REASONS MAY INTEREST USDOC.

(A) OVER HALF OF THE ITEMS LISTED FOR BIDS ARE BOUND BY THE SPECIFICATIONS OF TWO MAJOR COMPONENTS BEING BUILT UNDER LICENSE IN ROMANIA: FRENCH ALSTHOM TURBO-ALTERNATORS, AND BOBCOCK BOILERS. THE ROMANIAN COMMERCIAL OFFICE IN NEW YORK, WHICH HAD FULL SET OF TENDER DOCUMENTS, REPORTED TO ROMENERGO  
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THAT US FIRMS (INCLUDING WESTINGHOUSE) DID NOT FEEL IT WORTH

THEIR TIME TO BID ON ACCESSORIES FOR PRODUCTS BOUND BY OTHER COMPANIES' LICENSES.

(B) THERE WAS NO ATTEMPT TO OBTAIN A SINGLE CONTRACTOR TO ORGANIZE PROCUREMENT. ROMANIA HAD DECIDED ON THE MAJOR COMPONENTS BEFORE IBRD HAD EVEN APPROVED THE LOAN AND ROMENERGO WAS CHARGED WITH PROCURING THE REMAINING PARTS. IANCU POINTED OUT THAT MOST OF THESE ITEMS WERE TOO SMALL AND TOO SPECIALIZED TO INTEREST US FIRMS, INCLUDING MOST OF THE REQUIREMENTS NOT BOUND BY LICENSE SPECIFICATIONS (FIRST 14 ITEMS, PARA 3 REF C).

(C) TIME FOR PREPARATION OF BIDS WAS TOO SHORT FOR MANY COMPANIES ANYWAY, EVEN THOSE IN WESTERN EUROPE. THE DEADLINES WHICH WERE EXTENDED WERE FOR BIDS WHICH REQUIRED THE MOST PREPARATION.

(D) IANCU FELT THAT BY SENDING TENDER DOCUMENTS TO NEW YORK AND TO IBRD IN WASHINGTON, US FIRMS HAD ADEQUATE ACCESS TO THE DETAILS OF THE TENDER. ALTHOUGH EMBOFF POINTED OUT THAT IBRD DOES NOT USE THE DOCUMENTS TO SOLICIT BIDS, IANCU INSISTED THAT AT LEAST ONE US BIDDER ON THE OTELINOX SPECIAL STEEL PROJECT HAD GOTTEN DOCUMENTS THROUGH THE BANK. EMBOFF URGED THAT EMBASSY BE GIVEN ADDITIONAL DETAILS IN FUTURE TENDERS, IN THE INTEREST OF BROADENING THE COMPETITION. IANCU THOUGHT THERE MIGHT BE AN OPPORTUNITY FOR US BIDS WHEN TURCENI IS EXTENDED, IN ANOTHER YEAR OR TWO.

3. COMMENT: ROMENERGO IS NOT LIKELY TO BE A FREQUENT SOURCE OF MAJOR PROJECTS, GIVEN THEIR SPECIALIZATION AND ROMANIA'S OBJECTIVE OF SELF-SUFFICIENCY IN BUILDING GENERATING EQUIPMENT. PREJUDGEMENT OF ROMENERGO SPECIALISTS THAT THIS WAS NOT THE SORT OF PROJECT TO ATTRACT AMERICAN BIDDERS MAY HAVE BEEN A FACTOR IN OUR LACK OF INFORMATION ALL ALONG, AND SEEMED TO UNDERLIE IANCU'S REMARKS. NEVERTHELESS, EMBASSY WILL CONTINUE TO ATTEMPT TO OBTAIN MORE DETAIL ON SUCH PROJECTS. FEEDBACK FROM USDOC ON KINDS OF ADDITIONAL INFORMATION NEEDED BY US FIRMS CAN BE VERY HELPFUL.

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